

moneys to be invested in Eligible Investments having stated maturities in such amounts and at such times, prior to or corresponding with the amounts and dates specified in said certificate, as to make available from the 2002 Construction Fund cash moneys sufficient to meet the needs of the 2002 Construction Fund as specified in said certificate. Any such certificate may contain either specific or general instructions from the County as to the kind of Eligible Investments in which the presently unneeded moneys in the 2002 Construction Fund are to be invested, and the Trustee will comply with such instructions to the extent that they are not inconsistent with the applicable provisions hereof; provided that the County shall not direct the Trustee to make any investment of moneys in the 2002 Construction Fund that would result in any of the Parity Securities being considered "arbitrage bonds" within the meaning of Section 103(b)(2) and Section 148 of the Code and the applicable regulations thereunder. In the event of any such investment, the securities in which such moneys are so invested, together with all income derived therefrom, shall become a part of the 2002 Construction Fund to the same extent as if they were moneys originally deposited therein. The Trustee may at any time and from time to time sell or otherwise convert into cash any such securities, whereupon the net proceeds therefrom shall become a part of the 2002 Construction Fund. The Trustee shall be fully protected in making any such investment, sale or conversion in accordance with the provisions of this section. In any determination of the amount of moneys at any time forming a part of the 2002 Construction Fund, all such securities in which any portion of the 2002 Construction Fund is at the time so invested shall be included therein at their then market value.

Notwithstanding any other provisions of the Indenture, the Trustee shall not be responsible for (i) determining whether or not any investment of moneys in the 2002 Construction Fund (or in any of the other Indenture Funds) complies with the limitations imposed by Section 148 of the Code and the regulations thereunder or (ii) calculating the amount of, or making any payment of, any rebate due to the United States of America.

## ARTICLE V

### WARRANT PURCHASE FUND

Section 5.1 **Warrant Purchase Fund.** (a) There is hereby established a special trust fund which shall be designated the "Jefferson County Sewer System Series 2002-A Warrant Purchase Fund". The Tender Agent shall be the depository, custodian and disbursing agent for the Warrant Purchase Fund.

(b) There shall be deposited in the Warrant Purchase Fund, as and when received:

(1) the proceeds of any remarketing of Series 2002-A Warrants by the Remarketing Agent,

(2) money received by the Tender Agent from the Bank pursuant to the Standby Purchase Agreement with respect to the Purchase Price of Eligible Warrants payable on the related Tender Date,

(3) all other money required to be deposited in the Warrant Purchase Fund pursuant to the Indenture, and

(4) all other money received by the Tender Agent when accompanied by directions that such money is to be deposited in the Warrant Purchase Fund.

(c) The Tender Agent is hereby authorized and directed to withdraw sufficient money from the Warrant Purchase Fund to pay the Purchase Price of Series 2002-A Warrants due on any Tender Date.

(d) Funds for the payment of the Purchase Price of Series 2002-A Warrants shall be derived from the following sources in the order of priority indicated:

(1) **First**, proceeds from the remarketing of Series 2002-A Warrants.

(2) **Second**, money advanced under the Standby Purchase Agreement.

(3) **Third**, any other money on deposit in the Warrant Purchase Fund.

Not later than one hour before the applicable notice deadline under the Standby Purchase Agreement, the Tender Agent shall determine the amount of remarketing proceeds already on deposit in the Warrant Purchase Fund and shall advise the Trustee of such amount. After such determination, the Trustee shall give the notice to the Bank required under the Standby Purchase Agreement for purchase of Eligible Warrants on such Tender Date for which remarketing proceeds are not available. Any money advanced under the Standby Purchase Agreement shall be held in a separate, segregated account in the Warrant Purchase Fund and shall not be commingled with other money in the Warrant Purchase Fund. Such money shall be used only to pay the Purchase Price of Eligible Warrants.

(e) On each Tender Date money in the Warrant Purchase Fund from any source other than the Standby Purchase Agreement remaining after payment of the Purchase Price of all Series 2002-A Warrants (or after segregating money for such purpose as provided in Section 5.2) shall be applied by the Tender Agent for the following purposes in the order of priority indicated:

(1) **First**, the Tender Agent shall reimburse the Bank, prior to the close of business on such Tender Date, for the amount advanced under the Standby Purchase Agreement for payment of the Purchase Price of Series 2002-A Warrants.

(2) **Second**, the balance, if any, shall be paid to the County.

(f) If proceeds from the remarketing of the Series 2002-A Warrants are deposited in the Warrant Purchase Fund after such Tender Date, such proceeds shall be applied as provided in subsection (e) of this section.

(g) Any moneys held in the Warrant Purchase Fund may be invested only in Federal Obligations that mature not later than the earlier of (i) thirty (30) days after the date of making such investment or (ii) the date on which such moneys will be needed to pay the Purchase Price of any Series 2002-A Warrants.

**Section 5.2 Money for Warrant Purchases to be Held in Trust; Repayment of Unclaimed Money.** (a) If money is on deposit in the Warrant Purchase Fund on any Tender Date sufficient to pay the Purchase Price of the Series 2002-A Warrants to be paid on such Tender Date, but the Holder of any Unsurrendered Warrant fails to deliver such warrant to the Tender Agent for payment of such Purchase Price on such Tender Date, the Tender Agent shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay such Purchase Price due and payable on such Series 2002-A Warrant on such Tender Date. Money so segregated and held in trust shall not be a part of the Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Purchase Price.

(b) Any money held in trust by the Tender Agent for the payment of the Purchase Price of any Series 2002-A Warrant pursuant to subsection (a) of this section and remaining unclaimed for three years after such Purchase Price has become due and payable shall be paid to the County upon request of an Authorized County Representative; and the Holder of such Series 2002-A Warrant shall thereafter, as an unsecured general creditor, look only to the County for payment thereof, and all liability of the Tender Agent with respect to such trust money, and all liability of the County with respect thereto, shall thereupon cease; provided, however, that the Tender Agent, before being required to make any such payment to the County, may at the expense of the County cause to be published once, in a newspaper of general circulation in the city where the Office of the Tender Agent is located, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be paid to the County.

## **ARTICLE VI**

### **PROVISIONS CONCERNING THE SERIES 2002-A INSURANCE POLICY**

**Section 6.1 Payments Under the Series 2002-A Insurance Policy.** (a) If, on the Business Day preceding any Interest Payment Date for the Series 2002-A Warrants, there is not on deposit with the Trustee sufficient moneys available to pay all principal of and interest on the Series 2002-A Warrants due on such date, the Trustee shall immediately notify the Bond Insurer and State Street Bank and Trust Company, N.A., New York, New York, or its successor as the Bond Insurer's Fiscal Agent (the "Fiscal Agent"), of the amount of such deficiency. If, by said Interest Payment



Date, the County has not provided the amount of such deficiency, the Trustee shall simultaneously make available to the Bond Insurer and to the Fiscal Agent the registration books for the Series 2002-A Warrants maintained by the Trustee. In addition:

(i) the Trustee shall provide the Bond Insurer with a list of the Holders of the Series 2002-A Warrants entitled to receive principal or interest payments from the Bond Insurer under the terms of the Series 2002-A Insurance Policy and shall make arrangements for the Bond Insurer and its Fiscal Agent (1) to mail checks or drafts to the Holders of Series 2002-A Warrants entitled to receive full or partial interest payments from the Bond Insurer and (2) to pay principal of the Series 2002-A Warrants surrendered to the Fiscal Agent by the Holders thereof entitled to receive full or partial principal payments from the Bond Insurer; and

(ii) the Trustee shall, at the time it makes the registration books available to the Bond Insurer, notify Holders entitled to receive payment of principal or interest on the Series 2002-A Warrants from the Bond Insurer (1) as to the fact of such entitlement, (2) that the Bond Insurer will remit to them all or part of the interest payments coming due subject to the terms of the Series 2002-A Insurance Policy, (3) that, except as provided in paragraph (b) below, in the event that any Holder of Series 2002-A Warrants is entitled to receive full payment of principal from the Bond Insurer, such Holder must tender his Series 2002-A Warrant to the Fiscal Agent with the instrument of transfer in the form provided on the Series 2002-A Warrant executed in the name of the Bond Insurer, and (4) that, except as provided in paragraph (b) below, in the event that such Holder is entitled to receive partial payment of principal from the Bond Insurer, such Holder must tender his Series 2002-A Warrant for payment first to the Trustee, which shall note on such Series 2002-A Warrant the portion of principal paid by the Trustee, and then, with an acceptable form of assignment executed in the name of the Bond Insurer, to the Fiscal Agent, which will then pay the unpaid portion of principal to the Holder subject to the terms of the Series 2002-A Insurance Policy.

(b) In the event that the Trustee has notice that any payment of principal or interest on a Series 2002-A Warrant has been recovered from a Holder thereof pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time it provides notice to the Bond Insurer, notify all Holders of Series 2002-A Warrants that, in the event that any such Holder's payment is so recovered, such Holder will be entitled to payment from the Bond Insurer to the extent of such recovery, and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the Series 2002-A Warrants which have been made by the Trustee and subsequently recovered from Holders, and the dates on which such payments were made.

(c) The Bond Insurer shall, to the extent it makes payment of principal or interest on the Series 2002-A Warrants, become subrogated to the rights of the recipients of such payments in

accordance with the terms of the Series 2002-A Insurance Policy and, to evidence such subrogation, (1) in the case of subrogation as to claims for past due interest, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the Holders of such Series 2002-A Warrants and (2) in the case of subrogation as to claims for past due principal, the Trustee shall note the Bond Insurer's rights as subrogee on the registration books for the Series 2002-A Warrants maintained by the Trustee upon receipt of proof of the payment of principal thereof to the Holders of such Series 2002-A Warrants. Notwithstanding anything in the Indenture or the Series 2002-A Warrants to the contrary, the Trustee shall make payment of such past due interest and past due principal directly to the Bond Insurer to the extent that the Bond Insurer is a subrogee with respect thereto.

Section 6.2 **Information to be Provided to the Bond Insurer.** The County shall provide the Bond Insurer with the following information:

(a) within 180 days after the end of each Fiscal Year of the County, a copy of the County's budget for the then current Fiscal Year, a copy of the County's annual audited financial statements for the most recently completed Fiscal Year, a statement of the amount on deposit in the Reserve Fund as of the last valuation and, if not presented in the audited financial statements, a statement of the net revenues pledged to payment of the Parity Securities for the most recently completed Fiscal Year;

(b) the Official Statement or other disclosure document, if any, prepared in connection with the issuance of additional debt instruments payable from the System Revenues, whether or not such instruments constitute Additional Parity Securities, within 30 days after the sale thereof;

(c) notice of any draw upon, or any deficiency due to market fluctuation in the amount on deposit in, the Reserve Fund;

(d) notice of the redemption, other than mandatory sinking fund redemption, of any of the Parity Securities, including the principal amount, maturities and CUSIP numbers thereof

(e) simultaneously with the delivery of the County's annual audited financial statements:

(i) the number of System users as of the end of the most recently completed Fiscal Year;

(ii) notification of the withdrawal of any System user responsible for 5% or more of System Revenues since the last reporting date;

- (iii) any significant plant retirements or expansions planned or undertaken in the System's service area since the last reporting date;
  - (iv) maximum and average daily System usage for the most recently completed Fiscal Year;
  - (v) any updated capital plans for expansion and improvement projects; and
  - (vi) results of any annual engineering inspections.
- (f) such additional information as the Bond Insurer may reasonably request from time to time.

**Section 6.3 Miscellaneous Special Provisions Respecting the Bond Insurer and the Series 2002-A Insurance Policy.** (a) In determining whether a payment default has occurred or whether a payment on the Series 2002-A Warrants has been made under the Indenture, no effect shall be given to payments made under the Series 2002-A Insurance Policy.

(b) The Bond Insurer shall receive immediate notice of any default in payment of principal of or interest on the Series 2002-A Warrants and notice of any other Event of Default known to the Trustee within 30 days of the Trustee's knowledge thereof.

(c) The Trustee shall, if and to the extent that there are no other available moneys held under the Indenture, use moneys in the 2002 Construction Fund to pay principal of or interest on the Series 2002-A Warrants.

(d) For all purposes of Article XIII of the Original Indenture, except the giving of notice of default to Holders of Series 2002-A Warrants, the Bond Insurer shall be deemed to be the sole holder of the Series 2002-A Warrants it has insured for so long as it has not failed to comply with its payment obligations under the Series 2002-A Insurance Policy.

(e) No resignation or removal of the Trustee shall become effective until a successor has been appointed and has accepted the duties of Trustee. The Bond Insurer shall be furnished with written notice of the resignation or removal of the Trustee and the appointment of any successor thereto.

(f) The Bond Insurer shall be treated as a party in interest and as a party entitled to (i) notify the Trustee of the occurrence of an Event of Default and (ii) request the Trustee to intervene in judicial proceedings that affect the Series 2002-A Warrants or the security therefor.

(g) Any amendment or supplement to the Indenture shall be subject to the prior written consent of the Bond Insurer. The Bond Insurer shall be deemed to be the holder of all outstanding Series 2002-A Warrants for the purpose of consenting to any proposed amendment or supplement

to the Indenture (except for any such amendment or supplement that, under the provisions of the Indenture, requires the consent of the Holder of each outstanding Series 2002-A Warrant). Any rating agency rating any of the Series 2002-A Warrants must receive notice of each amendment or supplement hereafter executed and a copy thereof at least fifteen days in advance of its execution or adoption.

(h) Without the prior written consent of the Bank, neither the County nor the Trustee shall take any of the following actions, or consent to or approve the taking of any such actions by any other party: the surrender, cancellation, termination, amendment or modification in any material respect of the Series 2002-A Insurance Policy, or the substitution of an entity other than Financial Guaranty as the insurer of the timely payment of the principal of and interest on the Series 2002-A Warrants.

(i) So long as the Bond Insurer has not failed to comply with its payment obligations under the Series 2002-A Insurance Policy, the Trustee shall not accelerate the maturity of the Series 2002-A Warrants without the prior written consent of the Bond Insurer.

(j) The Bond Insurer shall be provided with a full transcript of all proceedings relating to the execution of any Supplemental Indenture hereafter executed.

(k) Any notices to the Bond Insurer or the Fiscal Agent pursuant to the Indenture shall be sent to the following addresses (unless and until different addresses are specified in writing to the County and the Trustee):

Financial Guaranty Insurance Company  
125 Park Avenue  
New York, New York 10017  
Attention: General Counsel

State Street Bank and Trust Company, N.A.  
61 Broadway  
New York, New York 10006  
Attention: Corporate Trust Department

**Section 6.4 Special Provisions Respecting the Bond Insurer and the Standby Purchase Agreement.** (a) If at any time the long-term ratings for the debt obligations of the Bank providing the then effective Standby Purchase Agreement drop below "A-" (in the case of the rating assigned by Standard & Poor's) or "A3" (in the case of the rating assigned by Moody's), the County will, if requested in writing to do so by the Bond Insurer, with a copy to the Trustee, and within sixty (60) days of its receipt of such request in writing, replace such then effective Standby Purchase Agreement with a Substitute Standby Purchase Agreement acceptable to and approved by the Bond Insurer and in compliance with the requirements of Section 2.10 hereof.



(b) To the extent that the Pledged Revenues are pledged to secure the payment and performance by the County of its obligations under the initial Standby Purchase Agreement or any Substitute Standby Purchase Agreement, the County hereby agrees that such pledge in favor of the Bank shall be on a parity with the pledge made in the Indenture to secure the payment of principal of and interest on Parity Securities only to the extent that such pledge in favor of the Bank secures the payment of (i) the periodic commitment fee payable to the Bank (including any and all accrued interest thereon) and (ii) the principal of and interest on Bank Warrants. All other amounts owed under the Standby Purchase Agreement shall be payable on a subordinated basis to payment of principal and interest on the Parity Securities, replenishment of any debt service reserve fund and payment of the fees of the Trustee.

(c) The County and the Trustee hereby agree that, upon receipt of notice of the occurrence of either of the following events, the Series 2002-A Warrants will be converted in accordance with the provisions of Section 2.3(d) to the Term Rate Mode for a Term Rate Period extending until the maturity date of the Series 2002-A Warrants:

(i) the termination of the Standby Purchase Agreement as a result of the occurrence of an event of default under the Standby Purchase Agreement that, under the provisions thereof, either (A) causes such agreement to terminate immediately or (B) provides the Bank with the right to terminate its purchase commitment under such agreement upon the delivery of a specified notice to the Trustee; or

(ii) thirty (30) days prior to the termination or expiration date of the then effective Standby Purchase Agreement (if, by such date, either (x) no Substitute Standby Purchase Agreement has been obtained by the County and approved by the Bond Insurer or (y) no short-term bond ratings that are to be effective after the termination or expiration date of the then effective Standby Purchase Agreement and that are acceptable to the Bond Insurer have been obtained).

Upon the occurrence of any of the events described in either (i) or (ii), the Trustee is hereby directed and authorized to take such actions, in the name and on behalf of the County, as shall be necessary or appropriate to cause such conversion of the Series 2002-A Warrants to the Term Rate Mode in accordance with the provisions of the Fourth Supplemental Indenture.

Any conversion to the Term Rate Mode pursuant to this subsection (c) will be on terms and at a fixed interest rate that will permit the effective remarketing of all then outstanding Series 2002-A Warrants (including Bank Warrants) at par. If such a remarketing cannot be effected on such terms, the Series 2002-A Warrants shall continue to bear interest at a Variable Rate until such time as such a conversion to the Term Rate Mode and related remarketing can be effected. The parties agree that the Remarketing Agent will be directed to attempt such a remarketing of fixed rate Series 2002-A Warrants on a weekly basis until either (I) the specified conversion and related remarketing are accomplished or (II) the Bond Insurer consents to the discontinuation of such efforts.



The Holder of each Series 2002-A Warrant required to be tendered hereunder shall tender such Series 2002-A Warrant in accordance with the provisions of Section 2.5 hereof. The Trustee shall comply with the procedures set forth in Section 2.3(d) and Section 2.5 hereof.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.1 Confirmation of Indenture.** All the terms, covenants and conditions of the Indenture are hereby in all things confirmed, and they shall remain in full force and effect. Further, the County does hereby confirm the pledge made in the Indenture with respect to the revenues derived from all properties now or hereafter constituting a part of the System, including specifically, without limiting the generality of the foregoing, all properties acquired as a part of the System since the execution and delivery of the Original Indenture.

For the purposes specified in Section 2.1 of the Original Indenture, the County does hereby grant, bargain, sell and convey, assign, transfer and pledge to and with the Trustee the moneys deposited in the 2002 Construction Fund, together with any investments and reinvestments of such moneys and the income or proceeds thereof; subject, however, to the disbursement of all moneys at any time held in the 2002 Construction Fund for application in accordance with the provisions of this Fourth Supplemental Indenture.

**Section 7.2 Debt Service Fund Deposits Referable to Series 2002-A Warrants.** In order to provide funds for the payment of the principal of and the interest on the Series 2002-A Warrants, there shall be transferred or paid into the Debt Service Fund, out of moneys held in the Revenue Account, the following amounts at the following times:

- (1) on or before each Interest Payment Date with respect to the Series 2002-A Warrants, an amount equal to the interest becoming due with respect to the then outstanding Series 2002-A Warrants on such Interest Payment Date; and
- (2) on or before February 1, 2042, an amount equal to the principal amount of Series 2002-A Warrants maturing on such date.

The Debt Service Fund deposits required by this Section 7.2 shall be in addition to the deposits respecting the Outstanding Parity Securities required by the Original Indenture and by the First, Second and Third Supplemental Indentures.

**Section 7.3 Book-Entry Procedures Applicable to Series 2002-A Warrants.** (a) Except as provided in Section 7.3(c) hereof, the registered owner of all of the Series 2002-A Warrants shall be The Depository Trust Company ("DTC") and the Series 2002-A Warrants shall be registered in the name of Cede & Co., as nominee of DTC. Payment of interest for any Series 2002-A Warrant registered as of a Record Date in the name of Cede & Co. shall be made by wire

transfer to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the registry books of the County kept by the Trustee.

(b) The Series 2002-A Warrants shall be initially issued in the form of a single authenticated fully registered warrant in the principal amount of \$110,000,000 and with a stated maturity of February 1, 2042. Upon initial issuance, the ownership of such Series 2002-A Warrant shall be registered in the registry book of the County kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2002-A Warrants registered in its name for the purposes of payment of the principal or redemption price of or interest on such Series 2002-A Warrants, selecting such Series 2002-A Warrants or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2002-A Warrants under the Indenture, registering the transfer of Series 2002-A Warrants, obtaining any consent or other action to be taken by Holders of Series 2002-A Warrants and for all other purposes whatsoever; and neither the Trustee nor the County shall be affected by any notice to the contrary. Neither the Trustee nor the County shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Series 2002-A Warrants under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the County kept by the Trustee as being a Holder of Series 2002-A Warrants. The County and the Trustee shall have no responsibility with respect to the accuracy of any records maintained by DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Series 2002-A Warrants; the payment by DTC or any DTC participant to any beneficial owner of any amount in respect of the principal or redemption price of or interest on the Series 2002-A Warrants; the delivery to any DTC participant or any beneficial owner of any notice which is permitted or required to be given to Holders of the Series 2002-A Warrants under the Indenture; the selection by DTC or any DTC participant of any Person to receive payment in the event of a partial redemption of the Series 2002-A Warrants; or the authority for any consent given or other action taken by DTC as the Holder of Series 2002-A Warrants. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2002-A Warrants only to Cede & Co., as nominee of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to the principal of and premium, if any, and interest on such Series 2002-A Warrants to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and direction to effect such change on the registry books maintained by the Trustee, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the County determines that it is in the best interest of the beneficial owners of the Series 2002-A Warrants that they be able to obtain warrant certificates, the County may notify DTC and the Trustee of the availability through DTC of warrant certificates. In such event, the Trustee shall issue, transfer and exchange warrant certificates as requested by DTC and any other Holders of Series 2002-A Warrants in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2002-A Warrants at any time by giving notice to the County and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the

County and Trustee shall be obligated to deliver warrant certificates as described in the Indenture. In the event warrant certificates are issued to Holders of the Series 2002-A Warrants other than DTC, the provisions of Article V of the Original Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the County and the Trustee to do so, the County and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2002-A Warrants to any DTC participant having Series 2002-A Warrants credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2002-A Warrants.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2002-A Warrant is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2002-A Warrant and all notices with respect to such Series 2002-A Warrant shall be made and given to DTC as provided in the Representation Letter to be signed by the County and the Trustee on or prior to the date of issuance and delivery of the Series 2002-A Warrants and accepted by DTC. Without limitation of the foregoing, so long as any Series 2002-A Warrant is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall send a copy of any notice of redemption by overnight delivery not less than thirty (30) days before the redemption date to DTC, but such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice (or failure of DTC to advise any DTC participant, or any DTC participant to notify the beneficial owner, of any such notice or its content or effect) shall not affect the validity of the proceedings for the redemption of the Series 2002-A Warrants.

(e) In connection with any notice or other communication to be provided to Holders of the Series 2002-A Warrants pursuant to the Indenture by the County or the Trustee with respect to any consent or other action to be taken by Holders of the Series 2002-A Warrants, so long as any Series 2002-A Warrant is registered in the name of Cede & Co., as nominee of DTC, the County or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

(f) In the event of any inconsistency between the provisions of this Section 7.3 and any other provision of the Indenture or the forms of Series 2002-A Warrants, the provisions of this Section 7.3 shall govern so long as warrant certificates have not been issued to the Holders of the Series 2002-A Warrants other than DTC in accordance with Section 7.3(c) hereof.

**Section 7.4 Tax Covenants.** The County recognizes that the Holders of the Series 2002-A Warrants from time to time will have accepted them on, and paid therefor a price which reflects, the understanding that interest on the Series 2002-A Warrants is excluded from gross income for federal income tax purposes under the laws in force at the time the Series 2002-A Warrants shall have been delivered. In this connection the County covenants (i) that it will not take any action or omit to take any action if the taking of such action or the failure to take such action, as the case may be, will result in the interest on any of the Series 2002-A Warrants becoming



includable in gross income for purposes of federal income taxation, (ii) that it will use the "proceeds" of the Series 2002-A Warrants and any other funds of the County in such a manner that the use thereof, as reasonably expected by the County at the time of issuance of the Series 2002-A Warrants, will not cause the Series 2002-A Warrants to be "arbitrage bonds" under Section 103(b)(2) and Section 148 of the Code and the regulations thereunder and (iii) that it will satisfy the requirements of Section 148(f) of the Code and the applicable regulations thereunder. The County further covenants and agrees that it will not permit at any time any "proceeds" of the Series 2002-A Warrants or any other funds of the County to be used, directly or indirectly, in a manner which would result in any Series 2002-A Warrant being classified as a "private activity bond" within the meaning of Section 141(a) of the Code. The officers and employees of the County shall execute and deliver from time to time, on behalf of the County, such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the County with said Section 103(b)(2) and Section 148 and the regulations thereunder with respect to the use of the proceeds of the Series 2002-A Warrants. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this section and the foregoing provisions hereof, and the County hereby covenants and agrees to comply with the provisions of any such stipulations throughout the term of the Series 2002-A Warrants.

**Section 7.5 Concerning Defeasance of Series 2002-A Warrants.** For all purposes of the Indenture (including Section 16.1 of the Original Indenture), Series 2002-A Warrants in the Flexible Rate Mode or the Variable Rate Mode will be considered as fully paid only if the cash or Permitted Defeasance Obligations (or the combination thereof) held by the Trustee for the payment thereof will be sufficient to provide for the full payment of the principal of such Series 2002-A Warrants and interest thereon at the Cap Rate until the earlier of the maturity date for such Series 2002-A Warrants or any date on which such Series 2002-A Warrants have been called for redemption in accordance with their terms.

**Section 7.6 Remarketing Agent.** (a) The County has appointed J.P. Morgan Securities, Inc., as the initial Remarketing Agent to act in such capacity in accordance with the terms of this Indenture. Any notice to the Remarketing Agent pursuant to the provisions of the Indenture shall be sent to the following address or, if permitted by the provisions hereof, transmitted to the following facsimile number (unless and until a different address or facsimile number is specified in writing to the Trustee):

J. P. Morgan Securities, Inc.  
270 Park Avenue, 7th Floor  
New York, New York 10017  
(facsimile): (212) 834-6737

(b) The initial Remarketing Agent and any successor Remarketing Agent shall signify its acceptance of such appointment and its assumption of the duties and obligations imposed upon it by this Indenture by execution and delivery of an agreement satisfactory to the County, the Bank and the Trustee.

(c) The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it by this Indenture.

(d) The Remarketing Agent may resign at any time by giving 30 days' notice to the County, the Trustee and the Bank.

(e) The County may, with the consent of the Bank, remove the Remarketing Agent at any time upon 30 days' notice to the Remarketing Agent; provided, however, that if the Remarketing Agent is unable to satisfy its obligations under this Indenture because it has declared bankruptcy or is insolvent, the Remarketing Agent may be removed immediately.

(f) If the Remarketing Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Remarketing Agent for any cause, the County shall, with the consent of the Bank and the Trustee, promptly appoint a successor Remarketing Agent.

(g) The Trustee shall give notice to Series 2002-A Warrantholders of each resignation and each removal of the Remarketing Agent and each appointment of a successor Remarketing Agent.

(h) Compensation of the Remarketing Agent shall be paid directly by the County as provided in the Remarketing Agreement.

**Section 7.7 Concerning the Tender Agent.** (a) The County has appointed the Trustee to serve as the initial Tender Agent. The Trustee shall signify its acceptance of such appointment and its assumption of the duties and obligations imposed on it as Tender Agent by its execution and delivery of this Fourth Supplemental Indenture.

(b) Any successor Tender Agent shall signify its acceptance of such appointment and its assumption of the duties and obligations imposed upon it by the Indenture by execution and delivery of an agreement satisfactory to the Trustee, the County and the Bank.

(c) The Tender Agent may resign at any time by giving 30 days' notice to the County, the Trustee and the Bank; provided, however, that no such resignation shall become effective until a successor Tender Agent has been appointed and has accepted its duties and obligations hereunder.

(d) The County may, with the consent of the Trustee (if the existing Tender Agent is other than the Trustee) and the Bank, remove the Tender Agent by giving 30 days' notice to the Tender Agent; provided, however, that no such removal shall be effective until a successor Tender Agent has been appointed and has accepted its duties and obligations hereunder.

(e) If the Tender Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Tender Agent for any cause, the County shall, with the consent of the Trustee and the Bank, appoint a successor Tender Agent.

(f) Any successor Tender Agent shall (i) be a commercial bank with trust powers or a trust company, (ii) have a combined capital and surplus of at least \$50,000,000, and (iii) be subject to supervision and examination by federal or state authority.

(g) Compensation of the Tender Agent shall be paid directly by the County.

(h) The provisions of the Indenture shall be applicable to any Tender Agent.

**Section 7.8 Clarification of Condition Precedent to Issuance of Additional Parity Securities.** For purposes of any Revenue Certificate or Revenue Forecast prepared and delivered to the Trustee in connection with the issuance of a series of Additional Parity Securities, the date for determining Maximum Annual Debt Service may be any date that occurs during the period of thirty (30) days that immediately precedes the issuance date for such series of Additional Parity Securities (provided that, in any event, the debt service on such series of Additional Parity Securities shall be taken into account and included in calculating Maximum Annual Debt Service).

**Section 7.9 Notices to Rating Agencies.** The Trustee shall promptly furnish to each Rating Agency that maintains a rating with respect to the Series 2002-A Warrants notice of (i) receipt of any notice from the County proposing delivery of a Substitute Standby Purchase Agreement, (ii) any change of the Trustee, the Remarketing Agent or the Tender Agent, (iii) any change or amendment of the Financing Documents, (iv) the expiration, termination, extension or renewal of the term of the Standby Purchase Agreement, (v) the redemption by the County of any Series 2002-A Warrants prior to maturity, (vi) receipt of notice of the County's intent to have the Standby Purchase Agreement cancelled pursuant to Section 2.11, (vii) any conversion of the Interest Rate Mode applicable to the Series 2002-A Warrants to the Term Rate Mode or the Flexible Rate Mode, (viii) any other event resulting in a Mandatory Tender of the Series 2002-A Warrants, (ix) any acceleration of the maturity of the Series 2002-A Warrants, or (x) receipt of notice of the County's intent to establish a trust for the payment of the Series 2002-A Warrants in accordance with the defeasance provisions of the Original Indenture. The Rating Agencies maintaining ratings on the Series 2002-A Warrants on the date of initial delivery of the Series 2002-A Warrants and the addresses for notices to such Rating Agencies are as follows:

Moody's Investors Service  
99 Church Street  
New York, New York 10007

Standard & Poor's Ratings Services  
55 Water Street  
New York, New York 10041-0003

**Section 7.10 References to Bank When Standby Purchase Agreement is not in Effect.** Any provision of the Indenture to the contrary notwithstanding, at any time when no Standby Purchase Agreement is in effect and all indebtedness of the County to the Bank under the Standby



Purchase Agreement has been fully paid, all references to the Bank shall be deemed omitted and no consent or approval of the Bank shall be required for any action taken under the Indenture.

**Section 7.11 Certain Notices to Bank.** The Trustee shall provide the Bank with written notice of any failure by the Bond Insurer to comply with its payment obligations under the Series 2002-A Insurance Policy. Any notice to the Bank pursuant to the provisions of the Indenture shall be sent to the following address (unless and until a different address is specified in writing to the Trustee):

JPMorgan Chase Bank  
270 Park Avenue  
New York, New York 10017  
Attention: Michael Mak

**Section 7.12 Article and Section Captions.** The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

IN WITNESS WHEREOF, the County has caused this Fourth Supplemental Indenture to be executed in its name and behalf by the President of the Governing Body, has caused its official seal to be hereunto affixed and has caused this Fourth Supplemental Indenture to be attested by the Minute Clerk of the Governing Body, and the Trustee has caused this Fourth Supplemental Indenture to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Fourth Supplemental Indenture to be attested, by its duly authorized officers, all in eight(8) counterparts, each of which shall be deemed an original, and the County and the Trustee have caused this Fourth Supplemental Indenture to be dated as of February 1, 2002, although actually executed and delivered on March \_\_\_, 2002.

JEFFERSON COUNTY, ALABAMA

By \_\_\_\_\_  
President of the County Commission

ATTEST:

\_\_\_\_\_  
Minute Clerk of the  
County Commission

[ S E A L ]

THE BANK OF NEW YORK, as Trustee under the  
Trust Indenture of Jefferson County, Alabama, dated  
as of February 1, 1997

By \_\_\_\_\_  
Its \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Its \_\_\_\_\_

[ S E A L ]

STATE OF ALABAMA     )  
                                  :  
JEFFERSON COUNTY     )

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that GARY WHITE, whose name as President of the County Commission of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said county.

GIVEN under my hand and official seal of office, this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

[ NOTARIAL SEAL ]

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF ALABAMA     )  
                                  :  
JEFFERSON COUNTY     )

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that \_\_\_\_\_, whose name as \_\_\_\_\_ of THE BANK OF NEW YORK, a New York banking corporation acting in its capacity as Trustee under the Trust Indenture of Jefferson County, Alabama, dated as of February 1, 1997, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking corporation in its capacity as Trustee as aforesaid.

GIVEN under my hand and official seal of office, this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

[ NOTARIAL SEAL ]

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

340095.8



**EXHIBIT A**

**OPTIONAL TENDER NOTICE**

The Bank of New York,  
as Tender Agent  
Attn: Corporate Trust Administration

\_\_\_\_\_  
Birmingham, Alabama \_\_\_\_\_

J.P. Morgan Securities, Inc.  
as Remarketing Agent  
\_\_\_\_\_  
\_\_\_\_\_

Re:                               Jefferson County, Alabama  
Sewer Revenue Capital Improvement Warrants  
Series 2002-A

The undersigned is the registered owner of the following Series 2002-A Warrant, which is part of the above-referenced issue of Series 2002-A Warrants:

Certificate Number: \_\_\_\_\_  
Principal Amount: \_\_\_\_\_

The undersigned hereby elects to have (check one as appropriate, and be certain to designate the principal amount tendered, if less than the entire amount):

\_\_\_\_\_ the entire principal amount

\_\_\_\_\_ \$ \_\_\_\_\_ of the principal amount of such Series 2002-A Warrant  
(Note: If such amount is less than the entire principal amount, both the amount to be purchased and the remaining amount must be an Authorized Denomination, as defined in the Indenture)

purchased on the following date (specify a business day that is at least 7 days after notice of tender is delivered to the Tender Agent):

\_\_\_\_\_  
[Optional Tender Date]

THE UNDERSIGNED ACKNOWLEDGES THAT THIS ELECTION IS IRREVOCABLE  
AND BINDING ON THE UNDERSIGNED AND CANNOT BE WITHDRAWN.

Dated: \_\_\_\_\_

Print or Type

\_\_\_\_\_  
Name(s) of Warrantholder(s)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone Number

Signature

\_\_\_\_\_  
(The name(s) and signature(s) must correspond  
exactly to the name appearing on the registration  
books maintained by the Tender Agent)

Signature Guaranteed:

\_\_\_\_\_  
(Bank or Trust Company)

By

\_\_\_\_\_  
(Authorized Officer)

**EXHIBIT B**

**FORM OF SERIES 2002-A WARRANTS**

No. \_\_\_\_

**UNITED STATES OF AMERICA**

**STATE OF ALABAMA**

**JEFFERSON COUNTY**

**SEWER REVENUE CAPITAL IMPROVEMENT WARRANT**

**SERIES 2002-A**

**MATURITY DATE**

February 1, 2042

**DATE OF INITIAL DELIVERY**

**INTEREST RATE**

\*

**BEGINNING OF  
RATE PERIOD**

**END OF RATE PERIOD**

**CUSIP**

472682 \_\_\_\_

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "County"), for value received, hereby acknowledges itself indebted to and orders and directs the County Treasurer of the County to pay to

\_\_\_\_\_

or registered assigns, upon presentation and surrender hereof, solely out of the revenues hereinafter referred to, the principal sum of

**D O L L A R S**

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the Variable Rate, the Flexible Rate, or the Term Rate, as hereinafter provided.

\_\_\_\_\_  
\*The Trustee is to insert one of the following, as appropriate: "Variable Rate", "Flexible Rate – \_\_\_\_%", or "Term Rate – \_\_\_\_%".